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A NOTE ON CHILE AND ARGENTINA

A Survey of Social, Political, and Economic Conditions in Both Countries

by K. H. Silvert

Buenos Aires
October 1961

Argentina remains Latin America's richest country, a land of fecund plains, great cities, and flowering Mediterranean oases tucked into the folds of the Andes. Stretching from fruitful tropics to a windswept Patagonia awash with petroleum, Argentina offers up to its inhabitants a natural abundance and variety with which few lands in the world are endowed. And yet for the last three decades the country has been in the gravest of difficulties, beset by recurrent economic crisis and chronic social maladjustment, and slipping from one form of authoritarianism to another without surcease.

Packed tightly into the western crannies of the Andes lies Chile, cut off from Argentina by the formidable mountain spine whose most convenient central pass is at a forbidding 12,500 feet. In the north Chile has arid desert instead of verdant tropics; the dry lands disgorge nitrates and copper, but insufficient food production forces a fundamental poverty on the region. The south, too, is largely empty of population; only in the central third of Chile, a dry Mediterranean area, have human efforts been rewarded with the possibility of decent living conditions. Much poorer than Argentina in real income, and also beset by chronic economic

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. SILVERT, the author of this report,
itical economist who has since 1942
and written about developments in
America. He has taught at Tulane
ity and after joining the AUFS in
mpleted one field period in Central
an countries and another working
entina, Uruguay, and Chile. Dr.
s now based in Buenos Aires.

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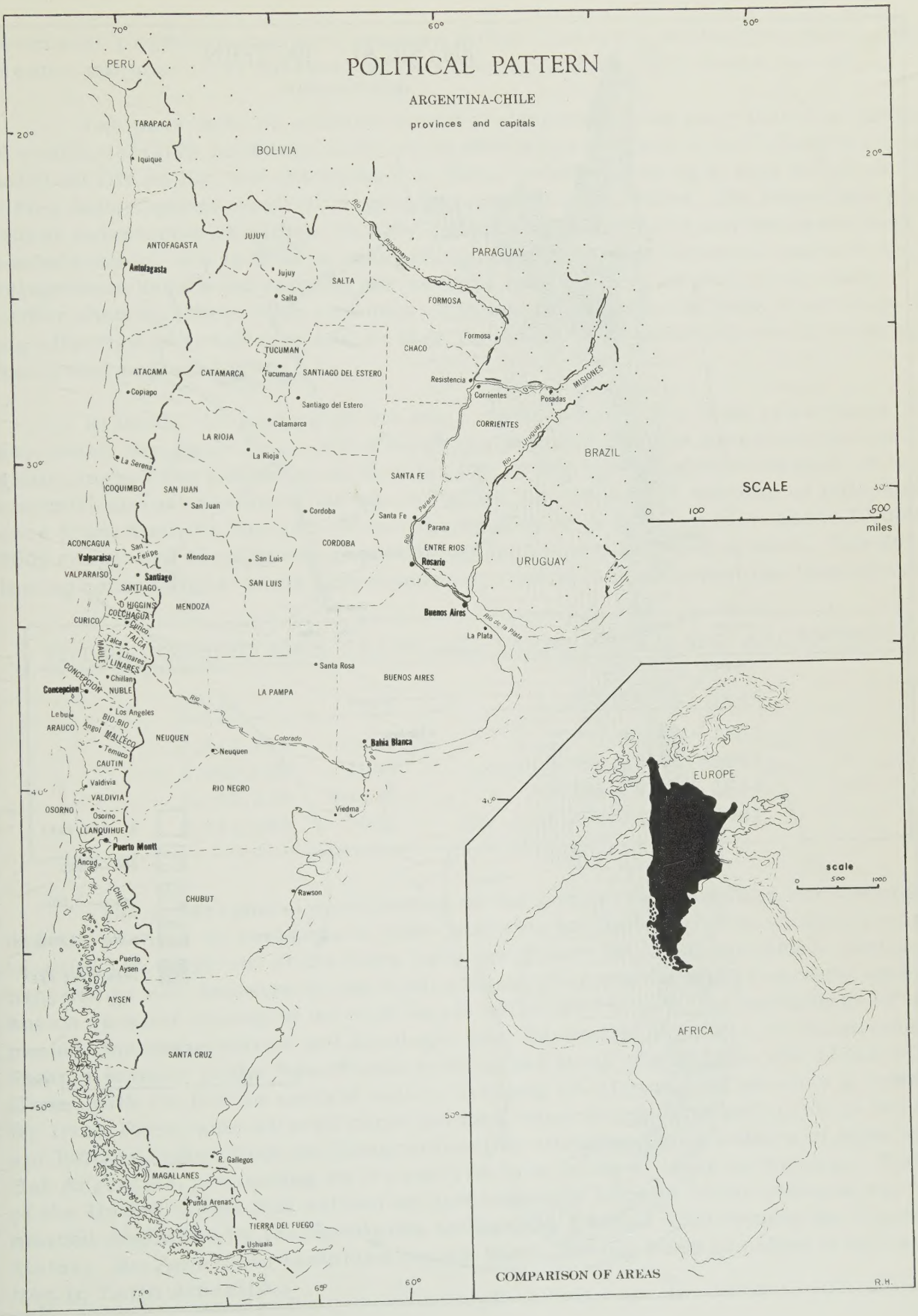
problems, Chile has still managed to preserve political equilibrium and a goodly measure of civic sanity. Somewhere there must be a moral in rich Argentina, gagging on the politics of force, and in poor Chile, managing to survive gray poverty with at least a limited democracy.

Despite these fundamental differences between the two countries, regional nationalists dreaming of a Greater Latin American Confederation invariably use Chile and Argentina as archetypes of the advantages to be gained by union. In the proposed partnership Chile would be the workshop, supplying the iron, steel, nitrates, manganese, coal, and other fruits of the bowels of the earth. Argentina is envisioned as the Elysian Fields of the duo, overflowing with golden wheat and corn, succulent meat, and nourishing dairy products. But consistent bilateral attempts during the past 15 years to tie the two economies more closely together have been either totally blocked or vitiated by the opposition of potent pressure groups, and have also been complicated by the ever-present foreign exchange shortages made even more acute by the continually falling prices of raw materials on the world market. In any event the romantic notion that one country is granary, the other workshop, is a confusion, for both are deeply committed to developing their economies in general and rationalization, even at this relatively early stage of industrialization, already implies a reshuffling of established interests. Both countries manufacture refrigerators, radios, television sets, and tractors; both produce meat, wheat, wine, corn, and many specialty food products. Even Chile's goodly supply of fuel has already been overshadowed in importance by Argentina, whose traditional poverty in combustibles is being turned into exportable surplus by intensive oil exploration and exploitation virtually throughout the length and breadth of the country.

Only one hesitant innovation suggests the possibility of a more co-ordinated economic effort between the two countries through the multilateral agency of The Latin American Free Trade Association, which came into formal existence on August 2, 1961. Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay, the seven signatories, are now attempting to lay plans for a 12-year program to reduce tariff barriers among themselves by about 80%. The countries concerned are now readying lists of items on which they are prepared to reduce barriers by about 8% annually. The free trade area is designed to blend into a full customs union sometime in the future, and then into a full-blown common market with complete freedom of movement of capital, goods, and persons among the subscribing nations. The long-run chances for reasonable success cannot be estimated at this moment. A cause for deep pessimism resides in the specific exemption of trade in agriculture and livestock from even the tariff reductions being negotiated. Two causes for optimism lie in the mere fact of subscription to the agreements, and in the plain economic reasonableness of a rational regional development.

The United States-sponsored Alliance for Progress may also contribute to co-ordinated economic growth not only as a result of the ordered capital in-


POLITICAL PATTERN
ARGENTINA-CHILE
provinces and capitals
PERU
BOLIVIA
PARAGUAY
BRAZIL
URUGUAY
TARAPACA
Iquique
ANTOFAGASTA
Antofagasta
JUJUY
Jujuy
SALTA
Salta
FORMOSA
Formosa
CHACO
TUCUMAN
Tucuman
SANTIAGO DEL ESTERO
Santiago del Estero
ATACAMA
Copiapo
CATAMARCA
Catamarca
LA RIOJA
La Rioja
La Serena
COQUIMBO
SAN JUAN
San Juan
Cordoba
SANTA FE
Santa Fe
Parana
ENTRE RIOS
Rosario
CORDOBA
ACONCAGUA
San Felipe
Valparaiso
Mendoza
San Luis
VALPARAISO
Santiago
SANTIAGO
SAN LUIS
O HIGGINS
MENDOZA
CURICO
COLCHAGUA
Curico
TALCA
Talca
MAULE
Linares
LINARES
CONCEPCION
Chillan
Concepcion
NUBLE
Los Angeles
BIO-BIO
Lebu
ARAUCO
Angol
MALLECO
NEUQUEN
Neuquen
Temuco
CAUTIN
Valdivia
VALDIVIA
RIO NEGRO
Viedma
OSORNO
Osorno
LLANQUIHUE
Puerto Montt
Ancud
CHILOE
CHUBUT
Rawson
Puerto Aysen
AYSEN
SANTA CRUZ
R. Gallegos
MAGALLANES
Punta Arenas
TIERRA DEL FUEGO
Ushuaia
Santa Rosa
LA PAMPA
BUENOS AIRES
Buenos Aires
La Plata
Bahia Blanca
Rio de la Plata
Rio Colorado
Rio Uruguay
Rio Parana
Rio Pilcomayo
Resistencia
Corrientes
Posadas
MISIONES
CORRIENTES
SCALE
0 100 500
miles
70°
60°
50°
20°
30°
40°
50°
75°
65°
60°
EUROPE
AFRICA
scale
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COMPARISON OF AREAS
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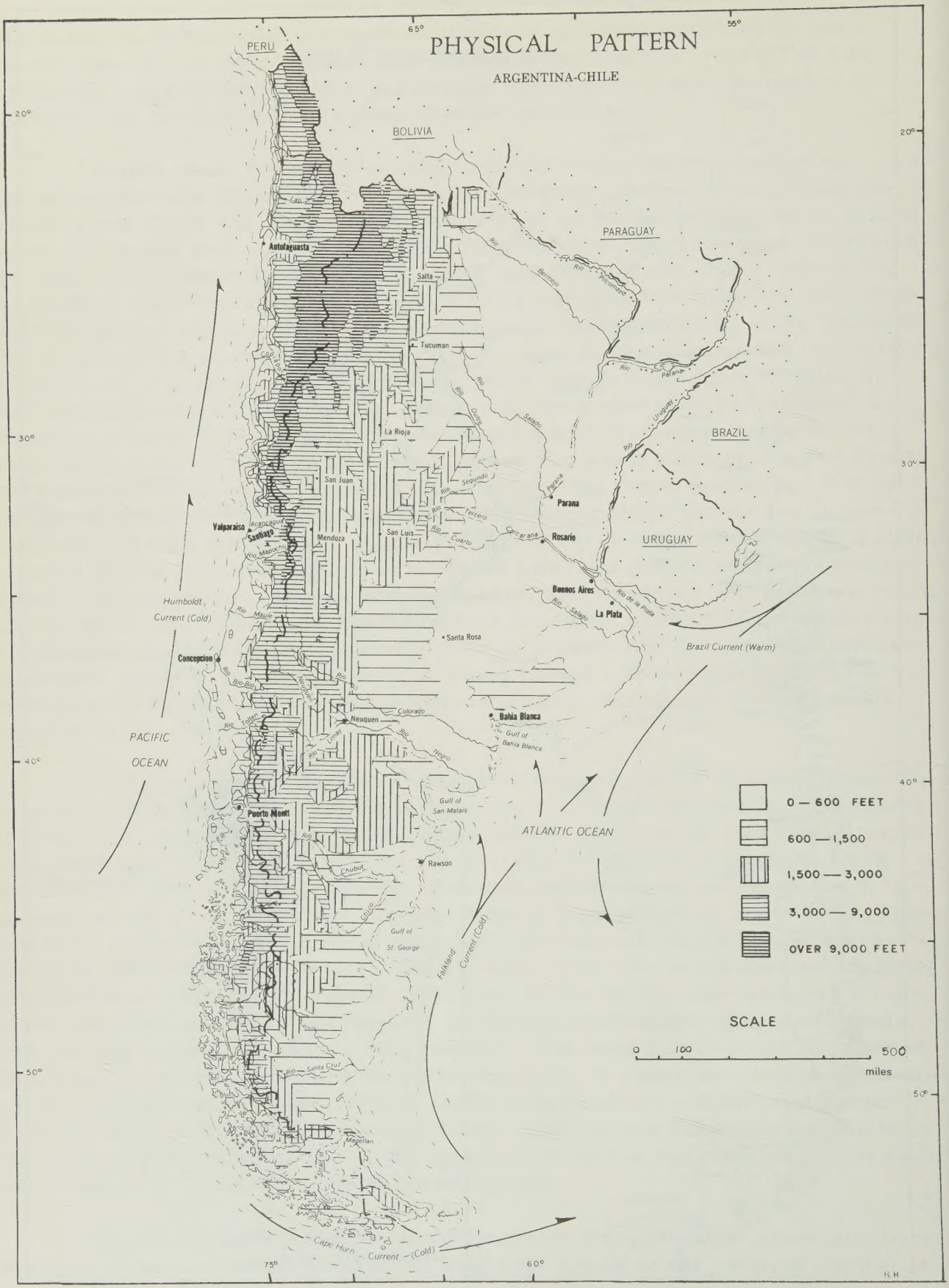
PHYSICAL PATTERN
ARGENTINA-CHILE
PERU
BOLIVIA
PARAGUAY
BRAZIL
URUGUAY
Antofagasta
Salta
Tucuman
La Rioja
San Juan
Mendoza
San Luis
Valparaiso
Santiago
Concepcion
Santa Rosa
Neuquen
Bahia Blanca
Gulf of Bahia Blanca
Parana
Rosario
Buenos Aires
La Plata
Rio de la Plata
Puerto Monti
Rawson
Gulf of San Matais
Gulf of St. George
Magellan
Strait of
Cape Horn
Humboldt Current (Cold)
PACIFIC OCEAN
ATLANTIC OCEAN
Brazil Current (Warm)
Falkland Current (Cold)
Cape Horn Current (Cold)
0 — 600 FEET
600 — 1,500
1,500 — 3,000
3,000 — 9,000
OVER 9,000 FEET
SCALE
0
100
500
miles
65°
55°
20°
30°
40°
50°
75°
60°

vestments promised, but also because rising standards of living usually imply greater commerce as markets grow stronger and demands more varied.

The prospects of political union are more remote even than the chances of really decisive economic collaboration. A century and a half of independent political life in the two countries and their widely differing recent political histories have created most divergent practices and attitudes. No important political movements in either country concern themselves in any measure with confederation. As is true in many other parts of Latin America, modern developments have been causing the several nations to draw culturally apart rather than together, with attention centered on the internal task of developing effective nationalisms rather than the essentially external one of building functional regionalisms.

In truth, the history of the two countries have long been at variance in any event, for Argentina, as the most neglected of Spain's American possessions, lagged far behind even isolated Chile during the colonial period. It was not until almost 50 years had passed after the conclusive winning of independence from Spain in the 1820's that the Argentine population (now about 20,000,000) surpassed the Chilean population (now about 7,500,000) in size. The following census figures, the only comparable ones, indicate when the lines crossed.

TOTAL POPULATIONS, SELECTED YEARS, CHILE AND ARGENTINA

Chile	Year	Argentina	Year
1,819,233	1865	1,737,076	1869
2,695,625	1895	3,954,911	1895
3,730,235	1920	7,885,237	1914
5,932,995	1952	15,893,827	1947

The geographical distribution of the Argentine population has undergone drastic changes in response to that country's explosive growth while, as might be expected, regional shifts have been much less important in Chile. Colonial happenings are decisive in explaining these characteristics. For very well-known reasons having to do with levels of Indian culture, the technology of the period, Spanish desires and ideology, and the limited numbers of colonizers, Spain's empire in the New World established itself about Lima and Mexico City. Chile, with its fertile central valley, its long coast line, and its easy accessibility from Peru, also offered some limited mineral deposits and a few relatively apt Indians (other than the Araucanians) to attract small numbers of Spaniards. But Argentina, presenting on its eastern face lands similar to the Great Plains of the United States and settled by seminomadic Indians of low culture, remained neglected by the Spaniards as was the East of what is now the United States. An American historian traces the following lines of colonial occupation in Latin America.

> The Spaniards were late in settling Argentina, and they never settled any but the northern third of it. They had established themselves in the West Indies between 1492 and 1510, in Panama in the next decade, in Mexico and on the northern fringe of South America in the 1520's, and in the Andean region of Colombia, Ecuador, and Peru in the 1530's. Even landlocked Paraguay and Chile, the remotest countries from Spain in all South America, were settled before Argentina, and were indeed, with Peru, the sources from which all the early settlements in Argentina were made. From Chile came the founders not only of Santiago del Estero (1553), but also of San Juan and Mendoza (both 1562) and San Luis (1596); from Paraguay those of Corrientes and Paraná (both 1558), Santa Fe (1573), and Buenos Aires (1580); and from Peru, those of Salta (1562), Tucumán (1565), Córdoba (1573), and La Rioja (1591). Nearly a century had passed since the discovery of America before the Spaniards were firmly seated in northern Argentina; the occupation was carried out not from Spain but by the overflow from older colonies in the neighborhood; and to the end of the colonial period both Spaniards and colonists left untouched the whole of the vast region lying south of Buenos Aires, which includes most of the fertile pampas.[1]

Regionalism has never been a very important component of Chilean political life. It is convenient to break the country into three gross areas: the desert north, from Africa to Antofagasta; the central valley, from Antofagasta to Concepción; and the south, from Concepción through Puerto Montt to the fjord country and beyond to the Straits of Magellan. If a more accurate geographical portrayal would consider five zones to be minimal (the "big" north, the "little" north, the central valley, the lake region, and the fjord area), the human ecology justifies thinking only in terms of the three-way split: 90% of the population is found in the central third, and approximately 5% in each of the extended ends. Isolated by desert in the north, ocean in the west, mountain in the east, and fjord in the south, the island of central Chile has grown slowly in stable and integrated patterns. Immigration has come in small waves only and major political crises, once resolved, have tended to remain settled. Chile's integrating dictatorship occurred in the early independence period with the rule of the Conservatives. Half a century later Church-State struggles, the 1879 War of the Pacific which added the northern desert nitrate and copper riches to the national patrimony, and the Liberal-Conservative battles overlapped until a general settlement was arrived at in the 1890's. So-called "Oligarchical" rule until 1920 maintained a stability broken only after the First World War by the growth of the centrist Radical and the usual traditional leftist parties. Each period had been quite well defined, each saw the country resolutely through another stage in its development, and each resulted in an extended rule of law, even if the path was sometimes a violent one.

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[1] Whitaker, Arthur P. The United States and Argentina. Cambridge: Harvard University Press, 1954. P. 24.

The relatively gentle curve of Chile's development is in profound contrast to the abruptness and extremism of Argentina's historical process, involving as it did sweeping changes in population composition, in the international economy, and in the role of the cities and the holders of political power. The half-moon of settlements ranging from the Andes through northern Argentina, and south again along the banks of the Paraná--established when Argentina's face was turned toward Chile, Upper Peru (now Bolivia), and Peru--gradually began to be rivaled in the 18th century by the growth of Buenos Aires. The nation was beginning to look toward Europe. In 1777 Buenos Aires was made the capital of the new Viceroyalty of the Río de la Plata; ever since, rivalry between Buenos Aires and the older provinces of the interior has been a characteristic of Argentine politics, and sometimes the dominating one despite the smallness of Buenos Aires until the latter half of the 19th century. (The populations of both Chile and Argentina are estimated as having hovered around 600,000 at the beginning of the last century, with Chile only slightly larger, as has been said. Only 45,000 persons lived in Buenos Aires at the turn of the 19th century, and some 60,000 in Santiago, Chile's capital then as now.)

Ricardo Levene, one of Argentina's most prolific historians, suggested the following periods as basic to an understanding of his country's development:

1) From 1810 to 1820: the organization of independence, involving the military aspects of revolution as well as the alignment of political groups at national and regional levels.

2) From 1820 to 1829: the period of caudillistic anarchy, when the disintegrating political forces could not muster a clear victory for any single faction, triumph gradually falling to the provincial leaders.

3) From 1829 to 1852: centralistic caudillistic tyranny in the name of federalism. This period belongs to Juan Manuel Rosas, who integrated Argentina at the same time that he presumably ruled for the purpose of supporting the provinces against Buenos Aires. The weakness of central authority throughout the independence period up to this moment is well exemplified by the fact that the old holdings of the Viceroyalty fell apart: Bolivia and Paraguay went their own ways first, and then Uruguay finally found its path to undisputed independence during the Rosas era. The tug of war within what is now Argentina then resolved itself primarily into a struggle between the capital and the interior.

4) From 1852 to 1880: the fall of Rosas and the drive to achieve a modern national state. This period established the bases for an integrated republic, economically and politically Liberal in nature, and oriented toward Europe. By the end of this time the trickle of immigration from Spain and Italy had become a torrent, and Argentina's ethnic base ceased to be the usual Mestizo-Indian-Negro trichotomy.

5) From 1880 on: the emergence of modern Argentina. Levene thus drops into one gigantic hamper of ideas the explosion of Argentina's population, its ethnic transformation, the development of commercialized agriculture and the opening of the pampas, the subjugation of the Indians, the creation of the hemisphere's third largest city (Buenos Aires follows New York and Chicago), and all the varying consequences flowing from these happenings. Obviously, this period should be further broken down.

Immigration figures offer the most striking evidence of the rapidly changing modern situation, and at the same time suggest to the American historian and sociologist an area in which comparative studies could be most exciting.

NET IMMIGRATION INTO ARGENTINA
1857-1954

1857-1860	11,100
1861-1870	76,600
1871-1880	85,100
1881-1890	637,700
1891-1900	319,900
1901-1910	1,120,200
1911-1920	269,100
1921-1930	878,000
1931-1940	72,700
1941-1946	33,000
1947-1954	747,000

Source: Gino Germani, La Estructura Social de la Argentina. Buenos Aires: Editorial Raigal, 1955, p. 82.

The population has now tended to stabilize itself, given the sharp falling off in immigration after 1930.[2] By the time of the 1947 general census, two-thirds of the persons born in Argentina had parents both of whom were also native born; only 18% were of foreign mothers and fathers both, and 16% had mixed parentage. The immigrants contributed with their numbers to the ballooning of Buenos Aires, and to filling the areas of late settlement in the southern pampas and the empty tropical northeast, but they also influenced the oldest areas, going up the Paraná River into the provinces of Corrientes, Entre Ríos, Santa Fe, and beyond.

[2] In recent years net immigration has fallen off to very low figures for Argentina, never exceeding 70,000 per year since 1951 and dropping as low as 8,000 in 1959. This decline can have serious consequences, for Argentina is an underpopulated country.

PERCENTAGE OF FOREIGNERS IN EACH REGION OF ARGENTINA

	1895	1914	1947
Greater Buenos Aires	50.3	47.9	23.4
Littoral	25.3	27.1	13.2
Northwest	3.6	8.4	5.0
Center and West	8.2	22.0	8.9
Northeast	45.4	31.0	17.9
South	30.9	41.9	17.0

Note. The regions group Argentina's provinces as follows. Littoral: Buenos Aires Province, Santa Fe, Entre Ríos, Corrientes, Córdoba. Northwest: Catamarca, Tucumán, Santiago del Estero, La Rioja, Salta, Jujuy. Center and West: San Luis, San Juan, Mendoza. Northeast: Chaco, Formosa, Misiones. South: Pampa, Neuquén, Comodoro Rivadavia, Río Negro, Chubut, Santa Cruz, Tierra del Fuego.

Source: Gino Germani, op. cit., p. 88.

The gulf between what is criollo (the old Argentina of the interior) and what is porteño (the new Argentina of the port, or Buenos Aires) was deepened by the diverse national origins of the new immigrants.

FOREIGN BORN POPULATION OF ARGENTINA BY COUNTRY OF ORIGIN

1954

Italians	1,005,400
Spaniards	820,600
Paraguayans	127,700
Poles	114,800
Russians	87,300
Chileans	69,300
Germans	58,500
Uruguayans	56,000
Brazilians	52,000
Others	438,100
Total	2,829,700

Source: Gino Germani, op. cit., p. 89.

Chilean figures, on the contrary, show the presence of very few foreigners. Of a total population of 5,932,995 persons in 1952, 5,836,484 were Chilean citizens, only 7,936 of them by virtue of naturalization. A tiny 2% of the population was foreign born in that year. The rate of immigration was

never very high, even in the periods of greatest outflow from Europe at the turn of the century.

FOREIGNERS IN CHILE, SELECTED YEARS
(Per 1,000 population)

1895	28
1907	42
1920	32
1930	25
1940	22
1952	16

Source: Chilean Census of 1952.

On the basis of physical criteria, the Argentine population (90% European, the remainder Mestizo, Indian, and Negro), may be contrasted with the Chilean, which probably includes about 30% of Mestizo and other non-European persons. But any such statement of ethnic disparity is culturally misleading, for in both lands the overwhelmingly predominant element is European, and distinctions are not commonly "seen" between Europeans and Mestizos.

The 20th Century in Chile and Argentina

Both Chile and Argentina gave an early welcome to the new century with revolutionary political disturbances during the 1890's. In the two cases the basic issue was how to organize governments enjoying fresh sources of foreign exchange and taxes. Chile was reaping nitrate rewards, and the advent of refrigeration had opened great new European markets to Argentina's rapidly adjusting agriculture. The results of both revolutions were to see neo-Liberal governments solidified in power, the growth of laissez-faire economic policies hospitable to foreign as well as domestic private investment, an only limited parallel development of Liberal political institutions, and at the same time the gestation of opposition movements within the play allowed by the new ideological and economic frameworks.

In both countries the conservative governments ruling until World War I were called oligarchies. The name is still one of opprobrium among center and left political groups in both Argentina and Chile. And again in the two cases, Radical parties took over political leadership, in 1916 in Argentina with famed Hipólito Yrigoyen, and with equally famed Arturo Alessandri in Chile in the year 1920. The neo-Liberal periods had been generally peaceful and marked by great economic change, but not sufficiently flexible in social matters to ease growing pains. The rapidity of the change in Argentina is astonishing. That

country, the eighth largest in land area in the world and the second largest of Latin America (after Brazil), during its era of greatest expansion developed the world's seventh largest rail system, built great ports, and seemed destined for inevitable continental leadership.

> . . . in 1876 the whole country produced only 7000 bushels of wheat. By 1890 the figure had shot up to 31 million, and in 1912 it reached 187 million. As a result, while, in 1880, pastoral products accounted for 94 per cent of all Argentine exports and agricultural products for less than 2 per cent, by 1908 the roles had been reversed, only 30 per cent of the exports being pastoral and 65 per cent agricultural.[3]

In Chile the pattern was different: nitrate exploitation offered an easy means of satisfying the demands of the exchequer, but at the same time did not imply the necessity for opening vast new lands, encouraging immigration, and building great ports and processing centers. Agriculture remained the major economic activity of the country (as it is still, employing about a third of the economically active population), but unlike Argentina, it was an agriculture which produced for domestic consumption, retarded in techniques and socially backward-looking. In both lands, however, Spanish tenure prejudices prevailed. The rich pampa fell into the hands of about 300 families in Argentina, while in Chile's central valley the colonial system simply continued, with 7% of the holdings covering 92% of the arable land even now. The large landowners, however, performed very different historical roles in the two places. The Argentine terrateniente of the past was a political Liberal, often anticlerical, viewing his properties as factories, and thus intimately concerned with the city, foreign trade, and foreign cultures. His Chilean counterpart was and still is to a large extent Conservative, tending to be pro-Church and insular, disinclined to operate in modern commercial terms. As everywhere else in Latin America, time has blurred the differences between Liberals and Conservatives. In Argentina the two groups are now virtually indistinguishable, even though in Chile there remain some marked differences stemming especially from urban-rural antagonisms.

The Radical victories of the First World War reflected the growing importance and changing nature of the cities. The Radicals represented nascent nationalism, industrialization, independence from the vagaries of monoculture, the separation of Church and State. Radicalism in Chile and Argentina has been generally centrist in effect, a compromise between the Conservatives and Liberals on one side, and the growing Socialist, Communist, and other labor-oriented groups to the left. The lasting triumphs of the Radicals of the '20's in Chile were separation of Church and State and the writing of a new constitution implanting a parliamentary system of government. The Argentine Radicals have not so much of which to boast. They controlled the government from

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[3] Whitaker, Arthur P, op. cit. footnote one, p. 32.

1916 to 1930, and although they anticipated later events by giving a certain common touch to affairs political, they worked no major reforms, effected no important structural changes, and worst, left no lasting respect for self-renewing public institutions. In neither country were the Radicals to enjoy to completion their initial electoral victories. Chile succumbed to a military revolt in 1927, when General Carlos Ibáñez del Campo took office; and Argentina went under to General José F. Uriburu in 1930.

The very distinct natures of the two polities become clearly revealed in comparing what happened in these two periods of adversity. Ibáñez acted as a rather typical Latin American caudillo in the sense that he propounded no ideologies and banked on personalism alone to carry him through. His regime disintegrated during the great depression, and he quite simply resigned from office in the face of general disorganization, an anarchy which lasted almost a year and ended with the re-election of Alessandri, this time on a combined Conservative-Liberal ticket. During the first years of the new Liberal period the various parties of the left gained force, and finally joined in an imitation of European Popular Front movements, winning the presidency in 1938. Radical executives with left-wing support followed in order: Aguirre Cerda in 1938, succeeded by Juan Antonio Ríos in 1942, and Gabriel González Videla in 1945. The coalition finally broke down in late 1947 and early 1948, and the Radicals commenced a drift to the right at the same time as the country's economic difficulties began to grow. In the face of this moldering of the center and left, and still rejecting the traditional right, the Chilean middle and lower groups turned again to their erstwhile caudillo, Ibáñez. They re-elected him president in 1952 on a platform bearing more than an accidental resemblance to the thinking of Chile's Peronist neighbors across the mountains. Despite this dark ideological promise, Ibáñez governed constitutionally, if not to the liking of most of those who had supported him electorally.

An old man, tired and unimaginative and unappreciative of parliamentary politics, Ibáñez could respond neither to desires for a strong hand nor adjust to the traditional practices of Chilean government. He experimented with American economic advisory teams and austerity programs, but could not muster sufficient political strength or personal energy to make these measures work. He left office in 1958, his term legally finished, the process of constitutional succession unbroken, but with the country no closer to economic solutions and weary of unwonted corruption and governmental inactivity.

Uriburu, on the other hand, not content to be a simple Argentine caudillo, wished to install a corporate state patterned after the Italian model of Mussolini. He held office about two years, during which he annulled a Radical electoral victory and manipulated a subsequent polling so that the Conservatives might win. In 1932 he passed the government to a new president, accompanying the handshake of inauguration with the draft of a new Fascist-style constitution, never put into effect. The country then fell into the period of the so-called Patriotic Fraud, during which the dominant "Oligarchical" groups falsi-

fied elections "for the good of the people." The influence of the Axis in the armed forces became notable, pro-Italian and pro-German sentiments adjusting themselves easily to the traditional isolationism of Argentina, which had remained neutral during World War I and was so also in the Second World War until its last few days. Finally, in 1943, the Army moved again and touched off the train of events which was to lead to the legal election of Juan Domingo Perón as president in 1946.

Certainly the major single factor in the political coloration of peronismo was the presence in Argentina of what has been called an "available mass." By the beginning of World War II, Argentina's population had tipped the occupational scales: more persons were employed in urban industries and services than in agriculture. And yet the political machine was in the hands of those who favored agricultural interests and prevented the normal growth of trade unions and the instruments of their daily political expression. The very early period of Perón's personal political development was marked by his full acceptance of Fascist ideology and his willingness to work within military patterns of political advancement. But by 1943 he began to play seriously with the idea of manipulating the loose urban labor groups, unattracted by the intellectual and democratic Socialists or the undermanned and politically alien Communists, whose ethnic origins were in any event largely different from those of the potential Peronist trade unionists. His position as head of the government's labor secretariate built Perón solid popular support, so strong that when he was arrested by his military colleagues as a threat to their own supremacy, popular demonstrations forced his release. The events of that October 17, 1945, when Perón's rescue from the ship on which he was being held prisoner was effected by crowds filling Buenos Aires' central Plaza de Mayo and shouting for his return, will not soon be forgotten. A new element had been added to Argentine politics. Secure in the loyalty of his followers, controlling a major part of the army officers and assured of the inactivity of the remainder Perón promised free elections for 1946. The opposition parties banded into a united front and, confident of victory, helped see their country through one of its most honest national elections. Perón, of course, won handily. The "available mass" had become his because the traditional political parties had failed to represent their interests. And democratic institutions suffered as the new arrivals on the scene imposed their ironbound version of the truth.

The ideology of Peronism was a watered-down version of Fascism. The economic effect of the period was to push the country's light industrialization at a fast pace, temporarily to increase the real income of the lower economic groups, and to engage in some limited economic nationalism, such as the purchase by the State of the British-owned rail system. In politics the country witnessed for the first time an alliance of the military, the rapidly growing trade unions, and the Church; important groups of white-collar persons and even some highly placed industrialists and landowners should also be mentioned for their part in the coalition. In demographic terms the period saw Buenos Aires grow by almost two million persons, probably most of them com-

ing in from the farm as the new high levels of industrial pay became public knowledge. In social psychological areas perhaps the most important result of Peronism was the new sense of importance and dignity lent to persons theretofore denied access to high places. The glorification of the little man, the descamisado, was certainly hollow in terms of real power within the structure of Argentine society, but it is untrue to say that it was false in terms of the functioning of that society. Perón may not have been aware of all the implications of what he was doing, but it matters little now: the workers are in Argentine politics to stay, whether for good or ill depending on many complicated factors.

The varied elements on which Perón leaned for his survival caused him eventual great difficulties as the processes he had unleashed began driving Argentine public life toward choices the government was unprepared to make.

> Justicialismo [the pretentious name for Perón's so-called political philosophy] is a juggler's act, a huge vaudeville performance. Perón is the clown, and Argentine special-interest groups are the balls he juggles. The clown has seven balls. They are called the "army," the "Church," the "Oligarchy," the "foreign imperialist," "labor," the "interior," and the "porteños." Justicialismo is a juggler's act; the performer must keep all seven balls in motion, and he must remain equidistant from all of them. It is, in a sense, a tragic performance if the observer harbors sympathy for the clown. The juggler must preserve his "Third Position": [where Perón said he was, between the "Capitalist" and the "Communist" worlds] he dare not catch one of the balls and call it his own, for the others will fall on his head and destroy him. This is not a performance that can be terminated successfully, for it is a species of marathon. The clown cannot catch all of the balls and accept ovations for a game well played. There is only one way the performance can end: at least one of the seven balls will fall on the juggler's head. Yes, Justicialismo is a vaudeville performance. It is not true that Justicialismo is "that doctrine before, during, and after which nothing happens." Rather, it is that performance before which the seven balls had a systematized relationship to each other, during which they are kept in dizzy motion, and after which at least one of them falls on the clown. The act can end in no other way.
>
> . . . the juggler has seven balls, and at least one of them will kill him.[4]

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[4] Blanksten, George I. Perón's Argentina. Chicago: University of Chicago Press, 1953. Pp. 294-295.

The troubles of the Peronist regime began to make themselves manifest after 1950 as it became harder and harder to reconcile the ambitions toward greater power of the General Confederation of Labor with certain elements in the Church and the armed forces. Overmanipulated and no longer enjoying the benefits of the surplus left after the war, the economic machine began to run down and, politically worse, could no longer supply the real wage increases needed to quiet the social and political demands of labor. The porcine corruption of government officials also contributed to the maldirection of the economy in highly important manners.

After a violent break with the Church and following a short period of military vacillation, Perón finally fell in September 1955. A short-lived attempt at a pro-Church soft-on-Peronism military rule gave way in October of that same year to the provisional presidency of General Pedro Eugenio Aramburu, pledged to purge Peronists from positions of power and to prepare the nation for a return to civil liberties and constitutional process.

The provisional government made good its promises. Walking carefully and modestly refraining from taking many decisions of a nature binding on whatever government was to follow, a cushion of time was built between the Perón era and the future. The dictator himself fled into exile with many of his colleagues, while still others were jailed, and the smaller fry deprived of whatever official influence they may have had. Military interventors were appointed to manage the newspapers and radio stations controlled by the former government or by the supporters of that government in jail or exile. The amendments to the Constitution of 1853 added by a Peronist constitutional assembly in 1949 were repealed and yet others added, although the constitutional assembly of 1957 broke down in disagreement and dribbled away its life in an ignominious and scarcely noted passing. Finally, against the protests of many military men who wanted a continuance of their period of tutelage, the Aramburu government supervised elections in February of 1958 to choose a legal successor government.

The major contenders were two branches of the Radical Party, the Intransigents and the Radicals of the People, the former campaigning on a neopopulist ostensibly center-left platform, the latter professing itself center-right, although even at the time there was disagreement as to which party was to the left--or conversely, the right--of the other. The Intransigents, led by Arturo Frondizi, succeeded in gaining the support of a major part of the Peronists, the Church, and even of the Communists, and so swept easily into power. The government inaugurated on May 1, 1958, was headed by the first legally and honestly elected civilian to take power in Argentina since 1928. As has been stated above, the possibly affirmative balance of the Perón regime felt then as now was the necessity to take into account a broader array of social elements than had ever before directly influenced governmental policy. The evil heritage of Peronism--also felt then as now--was in the intellectual crippling of these new elements, rendering them incapable of thinking in independ-

ent and democratic terms. Perón left the laboring man with an inheritance of neo-Fascist thought, and taught all political groups the techniques of demagoguery and cheapness of thought, resulting in a widespread incapacity to reason in complex and thus realistic social terms.

The government of Aramburu through these elections also taught that it is possible for a military intervention to pave the way for possibly freer civilian government than would otherwise have been the case. But the necessity in itself for the interim military government also demonstrated the tragedy of political activity by the armed forces, for if there had been no Uriburu in 1930 and no Farrell in 1943 or Perón in 1946, then of course there would have been no necessity for an Aramburu in 1955.

The Frondizi administration clearly could not govern upon the basis of the motley coalition which had put it in power. The new president early broke with the Communists--to whom he had never really promised anything, in any event--and with many of the non-Communist romantic leftists in his own party. He also disdained narrow party loyalty, and sought strength through an alliance with the Church and the possibility of wooing at least some marginal parts of the labor movement and the Peronists. He also disdained the normal mixed-economy views of the Radicals, and instead sought close ties with the United States, adhered to the provisions of the International Monetary Fund in an attempt to stabilize the peso, and encouraged private enterprise in all possible manners. This change in policy (as abrupt to an Argentine as it would have been to an American had President Eisenhower declared himself a Socialist within months of his first election) has caused great suspicion and profound difficulty. The political parties did not know how to adjust themselves, and both center-right and center-left fell into disarray. The military, dubious of President Frondizi's sincerity and yet moved to accept major parts of his policy, have carefully hedged his every move, and yet at every step still being driven back further and further into confusion, dismay, and desperate action. The administration has so far managed to weather at least three dozen organized military moves of one color or another, and bids fair to live through the next three years to completion of its term.

A major part of the right remains convinced that President Frondizi is a Communist. Their principal argument seems to be that the country is in chaos--and that since it is a technique of communism to sow confusion previous to their taking power, then the President must be one of them. Important segments of the center and left appear just as convinced that the administration is a pawn of American capitalism, hell-bent on turning the country into a jungle of foreign monopoly. But still the feeling is general--even among many holding these extreme views just mentioned--that President Frondizi must survive, for there is no viable alternative at hand, and any foreseeable change would only be for the worse.

Whatever the merits of the various points of view, Argentina appears

to have drifted into a perilously simplistic political situation, governed by an uneasy set of arrangements among religious, military, political, and economic institutions much like the "juggler's balls" in the paragraph from Blanksten quoted above. The normal play of politics is absent, in the sense that parties and pressure groups are ineffective and the citizenry is without positive policy alternatives among which to choose or, even having made some kind of choice, without ready access to the political institution for their normal expression. The usual divisions into right, center, and left are without meaning while the government pursues a policy of naked economic determinism, paying little or no attention to matters of social and political development in the avowed belief that a "renewal of the economic base" is all that matters. As a result Argentina is a sad, disheartened, and disillusioned country governed by a kind of soft, creole Falangism which few persons are aware of as their form of government, and which hardly anyone would probably really want if he knew it to exist.

The wages of the social sins of Peronist Black Populism, prolonged military interventionism, and Radical hollowness of program and dishonesty of word and ideology are being paid not only in an inability to make new capital investments result in truly higher productivity, but also in a political irrationality which is submitting what few democratic ideas exist to almost intolerable pressures both from right and left.

Chile, on the other hand, goes on with its valiant efforts to make its democracy of the middle and upper groups continue to work while political leaders try to puzzle out how to extend freedom to everyone without destroying it for those who already have it. President Ibáñez was succeeded in office in 1958 by Jorge Alessandri R., son of Arturo Alessandri, an industrialist, and the independent representative of center and right groups. Jorge Alessandri won about a third of the votes, only a few thousand more than the Marxist coalition called the Popular Action Front (FRAP). The Christian Democrats came in third, and the Radicals trailed home a poor fourth. Despite the fact that Alessandri had only a very slim plurality, Chile's firm electoral traditions guaranteed his election in Congress. He had promised a conservative, honest, business-oriented government, and that is essentially what he has given the country. Although full economic recovery has not been forthcoming, and there is no solution in sight to problems of land reform and social integration, or a longterm resolution of balance-of-payments and inflationary difficulties, the political process continues in its accustomed rhythm and permits of the possibility of reaching decision without authoritarian repression or revolution.

All other things being equal, both countries will install new regimes in 1964. The spirits of the members of the Popular Action Front in Chile are rising; they have good expectations of taking office legally in three years. The possibility, then, of a legally elected Marxist Socialist government in Chile is quite real, and will become increasingly assured if the parties of the non-Marxist left, the center, and the right continue unable to adjust their difficul-

ties. The Christian Democrats and the Radicals are at daggers' points as the result not only of ideological dispute but also of personal rancor. A Radical-Liberal alliance may repeat the experiences of the past in gaining victory, but their chances depend greatly on a continuance of their present rather uneasy parliamentary and governmental alliance, and on at least some limited success in solving the problems of their earthquake-devastated, poverty-ridden, class-bound society.

Prediction concerning the Argentine situation is a dangerously risky avocation. The oversimplified, quasi-Falangist governmental structure inspires pessimism; the existence of a fair degree of civil liberties stirs optimism. Elections may conceivably have some substantive meaning if political leaders through their parties can move themselves to consider their situation seriously and offer coherent and practical and easily palpable policy alternatives to the electorate, putting aside dreams of coups, violence, and other kinds of magical solutions. Little immediate possibility seems to exist in Argentina of a leftist victory of any sort either at the polls or as the result of revolution. The lack of menace from this quarter does not mean that democracy is assured, of course. Chile, despite the greater risk from the left, also has the greater chance of re-embarking both on the path of economic progress and of greater political freedom. The evanescent resource of political maturity in Chile may prove to be a greater aid to economic and social development than the vastly greater material potential of an Argentina committed to childishly selfish political and social ends.

Thus the Argentine political situation offers less immediate threat to the United States in the Cold War than does Chile, but also affords less hope of a possible solution fully consistent with the ideals of the democratic West.

Contemporary Social and Economic Problems

Economic matters are in the forefront of the obvious perplexities of both countries. The symptoms of distress are plain enough. Chile's cost-of-living index rose 56% in 1953, 70% in 1954, over 80% in 1955, and then dipped back to 40% in 1956 and 20% in 1957, since pushing up at about 15% yearly for a total of approximately 50% in the past three years. In Argentina the cost-of-living index for the capital rose from the base of 100 in 1943 to 1200 in 1958. Even on this massive base prices rose another 95% in 1959, but calmed down to a little over 15% in 1960 and is continuing now at only a slightly accelerated pace. Inflations are no longer of the runaway type in either country, but the menace of losing control plagues the fiscal policies of both governments.

Chile and Argentina depend for their foreign exchange on the exporting of raw materials--foodstuffs from Argentina and minerals from Chile. The American recession of 1957-58 and subsequent world-wide price drops for raw materials have twisted budgets, disturbed investment plans, and made nec-

essary dollar loans riskier in the face of reduced dollar earnings. But long before the American business disturbances, the two countries were in grave economic trouble. Chile has been in an economic depression for the last six or seven years. The country shows no recent increases in the rate of production per capita and, if anything, reveals a greater maldistribution of income than was true even ten years ago. The rate of economic growth in Argentina was also at about the zero point during the military interregnum because of political uncertainties and a failure to solve the problems left over from the hypernationalism of the Perón period and the inefficient interventionism practiced for over a decade. The rate of real income enjoyed by Argentina fell sharply during 1959 because of the austerity measures of the Frondizi administration and worker resistance to the government, and on a per-capita basis is still probably lower than the 1955 level. Maldistribution of income is also increasing, making the political problems of even Argentina's leaky kind of austerity ever more acute.

Foreign trade crises have affected each of the countries differently, for Chile is hugely dependent on the United States, while Argentina still remains largely tied to Europe for its export markets. Of total Argentine exports of US$974,821,000 in 1957, $263,449,000 worth of products went to all American countries ($112,153,000 to the U.S.), $668,920,000 to Europe, excluding the USSR, $18,438,000 to Asia, and $9,920,000 to the USSR. The distribution of the sources of importations was quite another matter: of a total of US$1,310,443,000 imported, $669,753,000 came from the Americas ($307,348,000 from the U.S.), $481,266,000 from Europe excluding the USSR, $142,648,000 from Asia, and $12,218,000 from the USSR. In percentage terms, then, Argentina exported about 12% of its total shipments ad valorem to the U.S., but imported about 23% of the total from that country.

These 1957 figures are significant in that they reveal the trade pattern during the pre-Frondizi period of more traditional economic relations. The 1960 data show that the trend in purchasing is toward ever increased dependence on the United States, with the export figures remaining essentially unchanged. The clamoring of the Argentine government for freer access to American markets thus becomes very understandable. The re-emergence of West Germany as a major supplier and a relatively minor buyer is another striking new tendency, not inconsistent with the experiences in the American market. In 1960 the United Kingdom took US$221,300,000 of Argentina's exports, Holland $131,000,000, and Italy $127,500,000. The United States imported only $90,500,000 worth of products from Argentina, and West Germany $86,500,000. But Argentina imported $311,500,000 of goods from the U.S., West Germany supplied in the amount of $142,900,000, and the U.K. only supplied in the sum of $105,000,000. Total Argentine exports in 1960 equalled $1,079,000,000, imports $1,189,000,000. The importance of credits to Argentina is evident.

The figures for Chile are dissimilar in that the dependence on the American market both for sales and purchases is very great.

VALUE OF CHILEAN IMPORTS, BY SUPPLYING AREAS
(In percentages)

	1950	1951	1952	1953	1954
Latin America	22.0	18.0	20.9	19.8	30.9
North America	48.7	56.6	54.7	55.1	40.8
Europe	26.5	23.1	23.3	22.3	24.9
Rest of World	2.7	2.3	1.0	2.7	3.4

VALUE OF CHILEAN EXPORTS, BY PURCHASING AREAS
(In percentages)

	1950	1951	1952	1953	1954
Latin America	17.0	15.1	15.4	17.1	14.9
North America	52.3	51.4	57.5	61.7	46.4
Europe	24.6	29.1	23.8	18.9	36.6
Rest of World	6.1	4.4	3.3	2.3	2.1

Chile's greater total dependence on the United States obviously means that economic shifts in the U.S. cause even more damage to the Chilean than to the Argentine economy. Every point which the price of copper drops signifies US$21,000,000 of foreign exchange less for Chile per year. And since a large part of the national budget, as well as all economic development plans and loan amortizations are based on dollar income, the results of such instability as may flow from American economic adjustments can be severely damaging to Chile. The present Chilean government is therefore engaged in serious attempts to force the American-owned copper companies to enlarge and stabilize their production and to seek expansion of foreign markets. Moves even for expropriation have been tentatively made by certain sections of the right for the first time in Chile, the suggestion being made that Alliance for Progress funds be employed to pay for the nationalization of the copper industry.

The foreign-trade picture looked up just a little for Chile in 1960, with exports of $250,000,000 during the first nine months, up $20,000,000 from 1959. But, as in the case of Argentina, foreign credits are indispensable if Chile is to recover with promptness from its earthquake damage and push forward with its general development plans.

The Argentine balance-of-trade problem nevertheless has causes and cures other than those of the more limited Chilean situation, hedged in as is the latter country by its restricted opportunities to enlarge and diversify its productive capacity. The Argentines were experiencing deficits of between US$225,000,000 and $300,000,000 per year before the institution of the Frondizi

economic program. The importation of fuels cost the country about $300,000,000 a year, so the first major step in this direction taken by President Frondizi was to buck public opinion and his own previously announced attitudes and sign contracts with foreign oil companies for a vast enlargement of domestic oil production. Because the government has been unable to increase exports, however, the alleviation offered by considerably expanded oil production in a relatively short period has not solved the total problem. In 1960 there was still a trade deficit of $170,000,000, and by mid-1961 the rate of difference for this year promised to be even higher than the 1960 figure. Over 90% of Argentina's exports are of agricultural products, but methods of production have not been sufficiently bettered to enable Argentina to compete adequately. Other brakes also operate to hinder the ready sales of agricultural products. The Argentine government still collects export tariffs, importing countries seek to protect their own notoriously politicized producers of farm goods (the most recent case being that of Italy), dumping is still practiced to Argentina's detriment, and the weather enters to disturb further man's efforts to achieve stability and predictability. The 1961 wheat crop has been cut about in half by drought, and now corn is re-emerging as the country's major single export, with about twice the tonnage of the wheat which the country expects to be able to send abroad. Small wonder, then, that increased oil production has not had the miraculous effect the government so confidently predicted. The Argentines must still offer thanks for the oil exploitation, however, for the situation would have been extremely painful without it, instead of merely an insistent ache.

These trade difficulties explain the desire of both governments to diversify their foreign markets, even to the extent of entering into active trading with the Soviet bloc. President Frondizi has repeatedly declared himself in favor of completely free international trading on a multilateral basis, which means access to Soviet markets, and were it not for his difficult domestic situation, he would probably have formalized some extensive arrangements by this time. Chile, meanwhile, has been in active negotiations with the Soviet Union and is planning to ship finished copper products to the Iron Curtain bloc.

The hopes for improved standards of living in Chile and Argentina are being based primarily on bettered industrial plants, and only to a slight extent on improved agriculture. The Chilean Development Corporation, a government agency, has been working since 1939 as a promoter, a partner, and a direct operating agency in both public and private enterprise. It has been instrumental in developing a State-owned electricity system, a privately-owned steel mill, radio and tire and copper factories, cement plants, docking facilities, freezing plants, and so forth. A new plan elaborated by this agency has just been accepted by the government as the matrix for its reconstruction policies. But only marginal attention has been paid by this key government corporation to the problems of the soil. For a while, in its early period, the Corporation made small direct loans to farmers. Then it encouraged and arranged for the importation of farm equipment, and later began limited experiments with crop rotation connected with the production of sugar beets to save foreign exchange

in sugar importations from Peru. The latest move to help the farmer has been to underwrite the establishment of a Fiat tractor plant. But in general the Development Corporation has been most reluctant to face up to the political difficulties implied in tackling the farm problem.

The production of agricultural products in Chile has barely managed to keep pace with the increase in population, despite the existence of unused and readily available land.

The same neglect of agriculture also has occurred in Argentina, although the administrative patterns of one-sided development have been different. The Perón government itself took over the marketing of farm products abroad and directed the use of the exchange earned, the difference between prices paid and prices received adding up to a tax. The result was much unplanned establishment of secondary industry, contributing to the equally unplanned growth of Buenos Aires in the same period. The industrial development of neither country should be dismissed with a casual wave of the hand, however: the process has been vital to the life histories of both nations. But still, corn, wheat, beef, and other farm products are the source of the foreign exchange necessary for Argentina's ability to continue to maintain and to enlarge its own partially built industrial establishment. Yet the indices of agricultural production in Argentina have remained quite stable over the past generation, instead of rising with the necessities of the population, and in some cases--notably that of corn--the rate of production has been drastically uneven in recent years. Little has been done by Argentines themselves to combat aftosa, and it is only through the prodding of American international economic co-operation officials that a campaign to reduce hoof-and-mouth disease is finally rather solidly under way.

It is only fair to say that agricultural practices and land tenure systems are notoriously difficult matters to change. Neither Argentina nor Chile has a society sufficiently open to accomplish radical agricultural changes democratically, nor sufficiently pressed, even in Perón's time, to do it by plainly authoritarian force.

Experts in economic development now state as a routine tenet of their faith that agriculture must not be allowed to lag far behind industry if self-sustaining growth is to be achieved. The problem, however, is not merely one of providing sound internal markets by building a prosperous farming community, and of supplying industrial workers with sufficient food to prevent an inflation which destroys stability, harms the weaker economic groups, and inhibits longterm capital investment. In a larger sense, the solution to the farm problem is merely part of the more general necessity to build an integrated and loyal population, and to submit the solution of social conflict to the wider demands of the national interest.

If one judges by economic and occupational measures alone, Argentina

appears ready to embark on a most positive and rapid expansion. Not only does the nation possess the physical resources, but it has been estimated that perhaps as much as 40% of the population should be counted as in the middle and upper classes.[5] But the evil of class conflict has been politically fomented instead of pushed back into a level secondary to the common effort. The history of Peronism, which sharpened internecine social warfare, nevertheless also indicates that the social antagonism at that time did not revolve about the desire of one group to liquidate another, but rather to achieve some equalization of rewards. But seemingly the political organization even of these modest adjustments indispensable to the continued economic expansion of nontotalitarian societies has been beyond the abilities or the desires of any of the Argentine governing groups during the past generation.

In Chile, too, the industrialization process has become mixed up with poor governmental practices and further complicated by such a division among social groups that it is tempting to call the gap between middle and bottom layers the gulf between castes rather than classes. Even if that statement is overly harsh, there is certainly greater social distance in Chile between classes now than ever before in its modern history. This alienation is a direct consequence of unequal distribution of the rewards and penalties of the country's maldirected development process. Underdevelopment is also, of course, uneven development. When the cost of unevenness is allowed always to weigh without relief on one social sector--invariably the weakest, of course--then the development process itself must come to a halt before inadequate markets, disgruntled labor, grindingly unresolved complaints, and thus, inevitably, the politics of disturbance.

* * * * *

The United States has committed itself to assist both Argentina and Chile in special manners within Latin America. The Alliance for Progress in general fashion posits the necessity for "soft" or "noneconomic" loans to assist in social development--low-cost housing, education, and so forth. But more specifically, one-sixth of the initial $600,000,000 advanced for social purposes through the agency of both the Eisenhower and Kennedy administrations was reserved for earthquake reconstruction in Chile. And in the case of Argentina the United States is being urged to demonstrate its good intentions and its skill by lending massive assistance in the more traditional Export-Import Bank and International Bank patterns. The ambition in Buenos Aires is that the United States should elect to make of Argentina a showcase of successful and large-scale international assistance.

The Chileans, in company with most of the smaller republics of Latin America, are willing to subscribe to the basic view of the Alliance for Progress that social development is long overdue, and that the path to economic development may well have to wind through the greater complexities of social

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[5] Germani, Gino, op. cit., p. 149.

improvement. The Argentines, in company with the Brazilians and Mexicans, take the more traditional view that the United States should merely supply capital for economic development, and that in the plenitude of their sovereignty the Latin American countries will then oversee the social aspects of the matter.

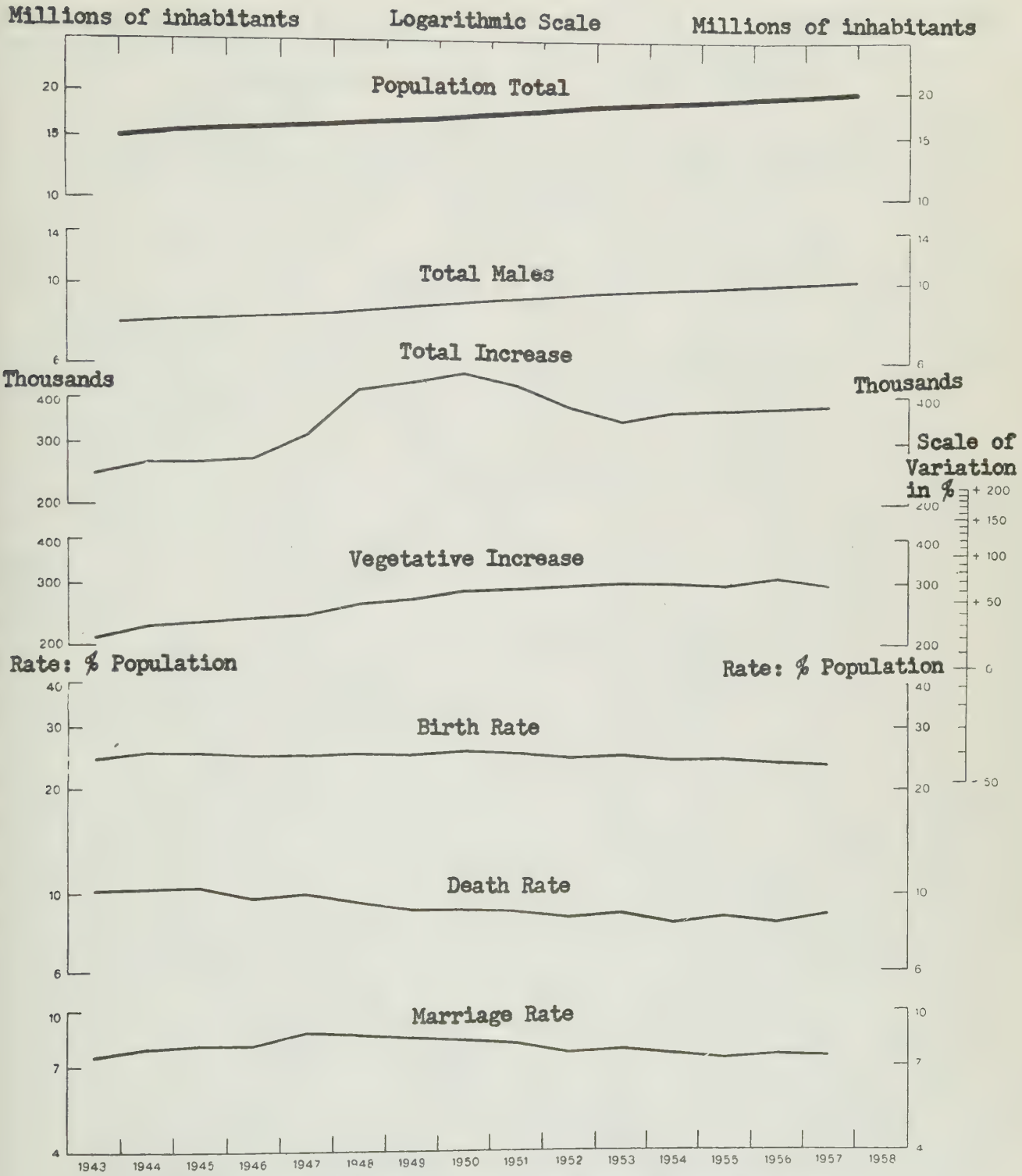
The several Latin American governments probably do not understand the complexity of the problems facing them. They are confronted with the necessity for supervising rapid development, for answering in practical fashion theoretical questions of the relations among social, political, and economic development which have not been forthcoming either from the scholarly communities or the political institutions of the world's more developed lands. They can no longer afford merely to imitate. The state of the world's technology, the development of new ideologies, and the impatience of their own peoples will no longer allow such intellectual laziness.

Chile and Argentina will certainly permit us two fascinatingly diverse cases of approaches to the problems of economic stagnation and social disquiet. And they will also test to the utmost the flexibility of American foreign policy in adjusting itself not only in two different physical settings, but also to two cultures which have chosen increasingly divergent methods of viewing their worlds.

K H Silvert

ARGENTINA

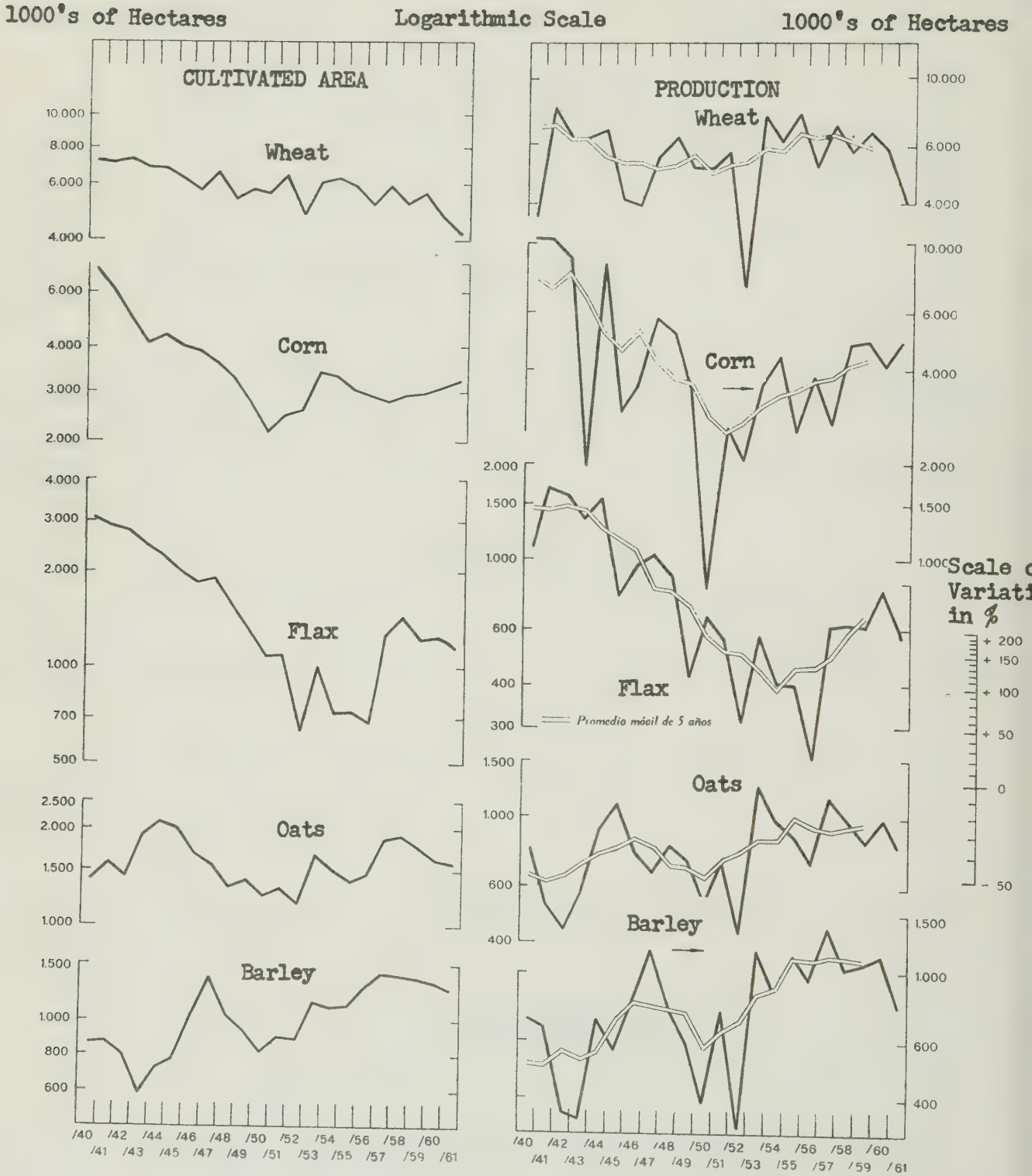
DEMOGRAPHIC STATISTICS



Reproduced from Monthly Statistical Bulletin, Dirección Nacional de Estadística y Censos, Ministerio de Hacienda, Buenos Aires, January 1959.

ARGENTINA

AGRICULTURAL STATISTICS



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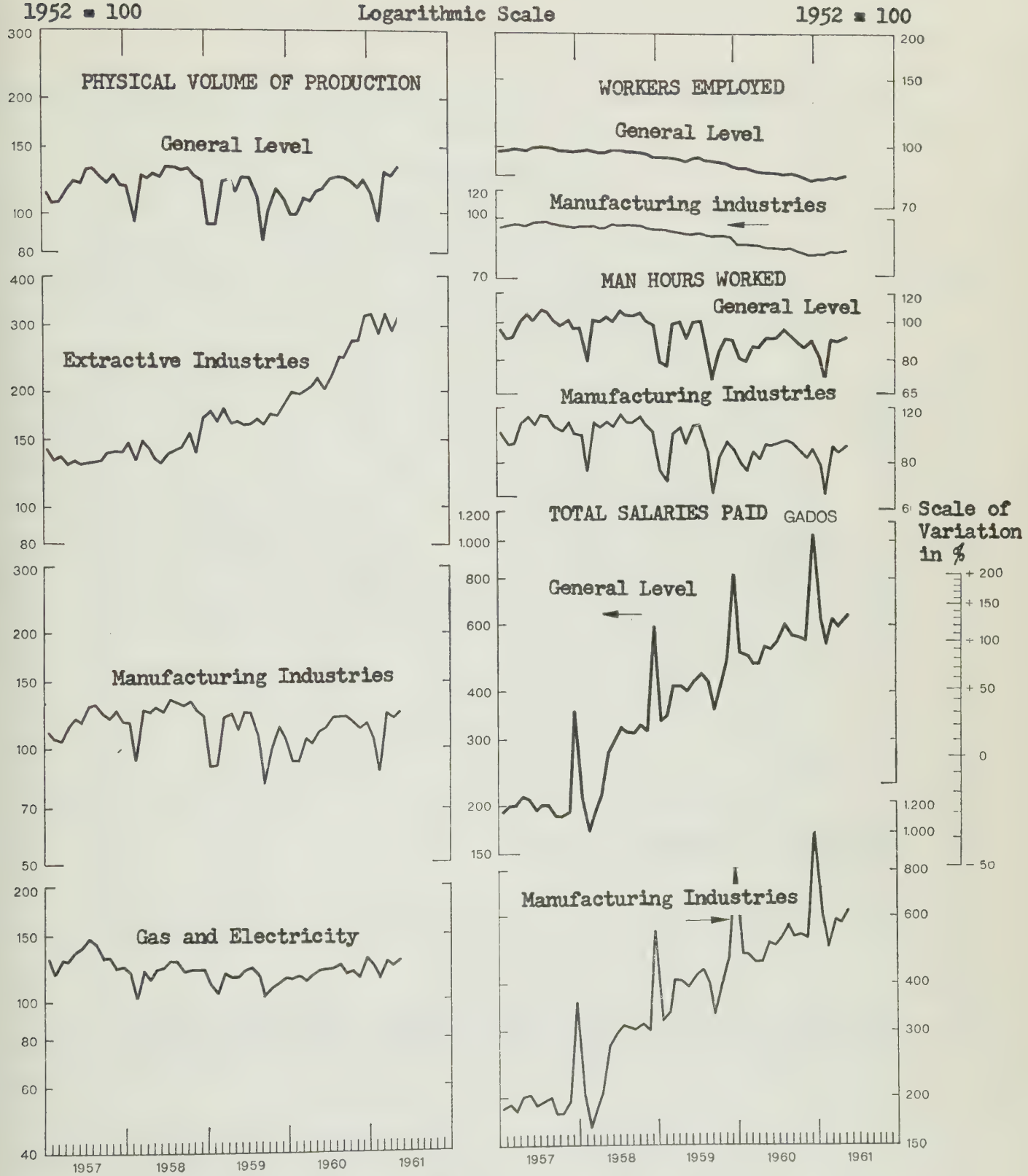
ARGENTINA
INDUSTRIAL STATISTICS



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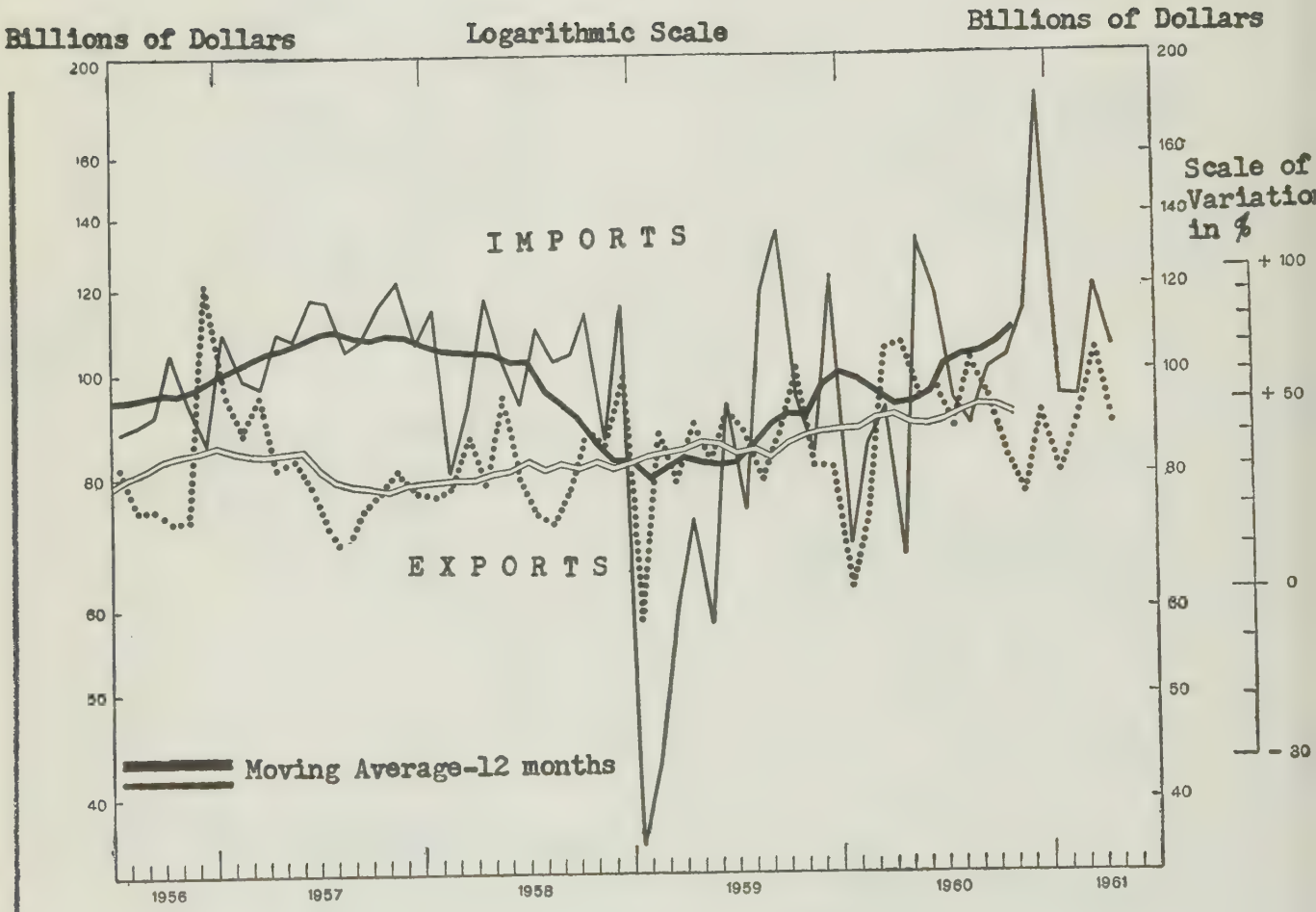
ARGENTINA

INTERNATIONAL TRADE



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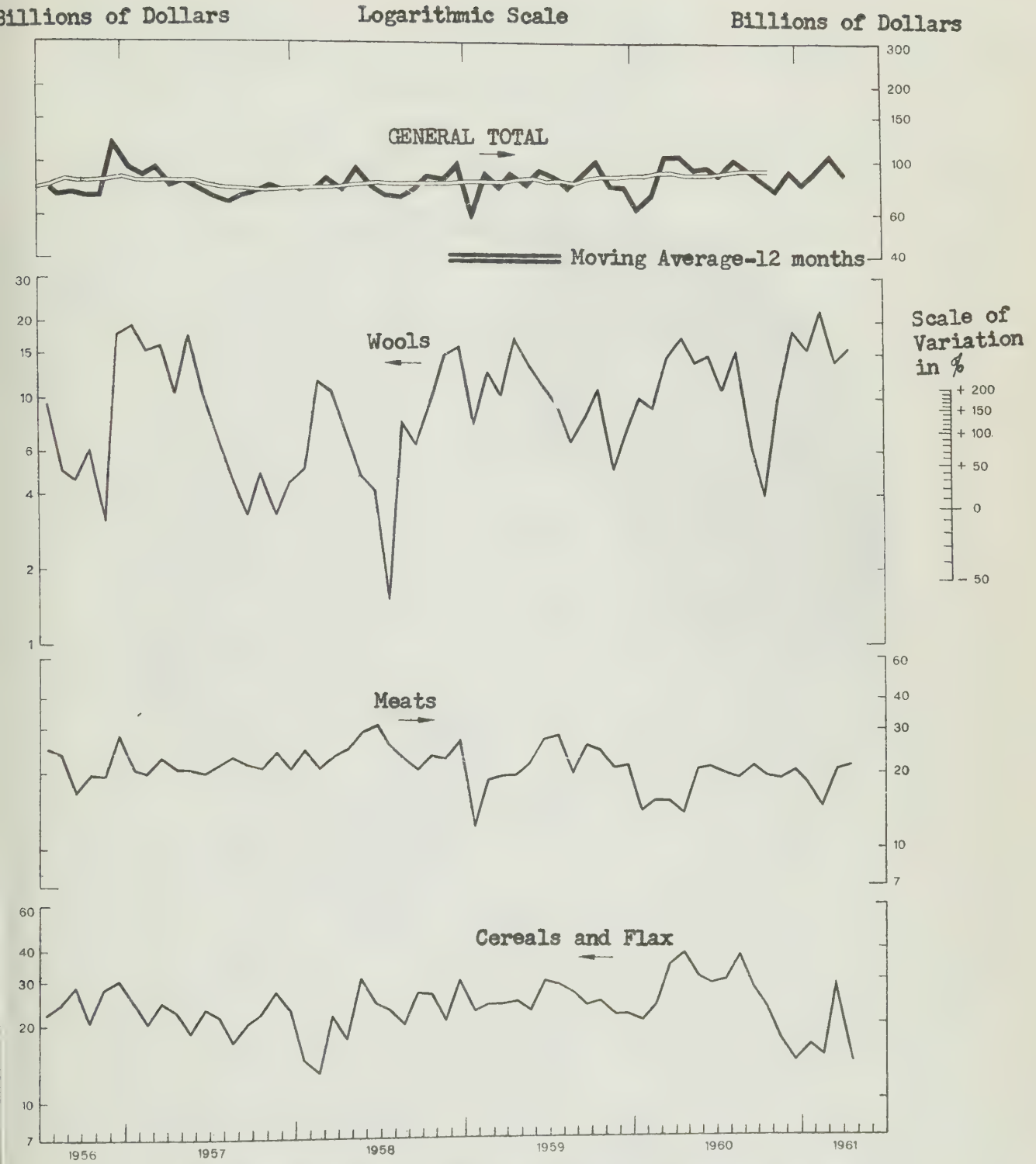
ARGENTINA

EXPORTS



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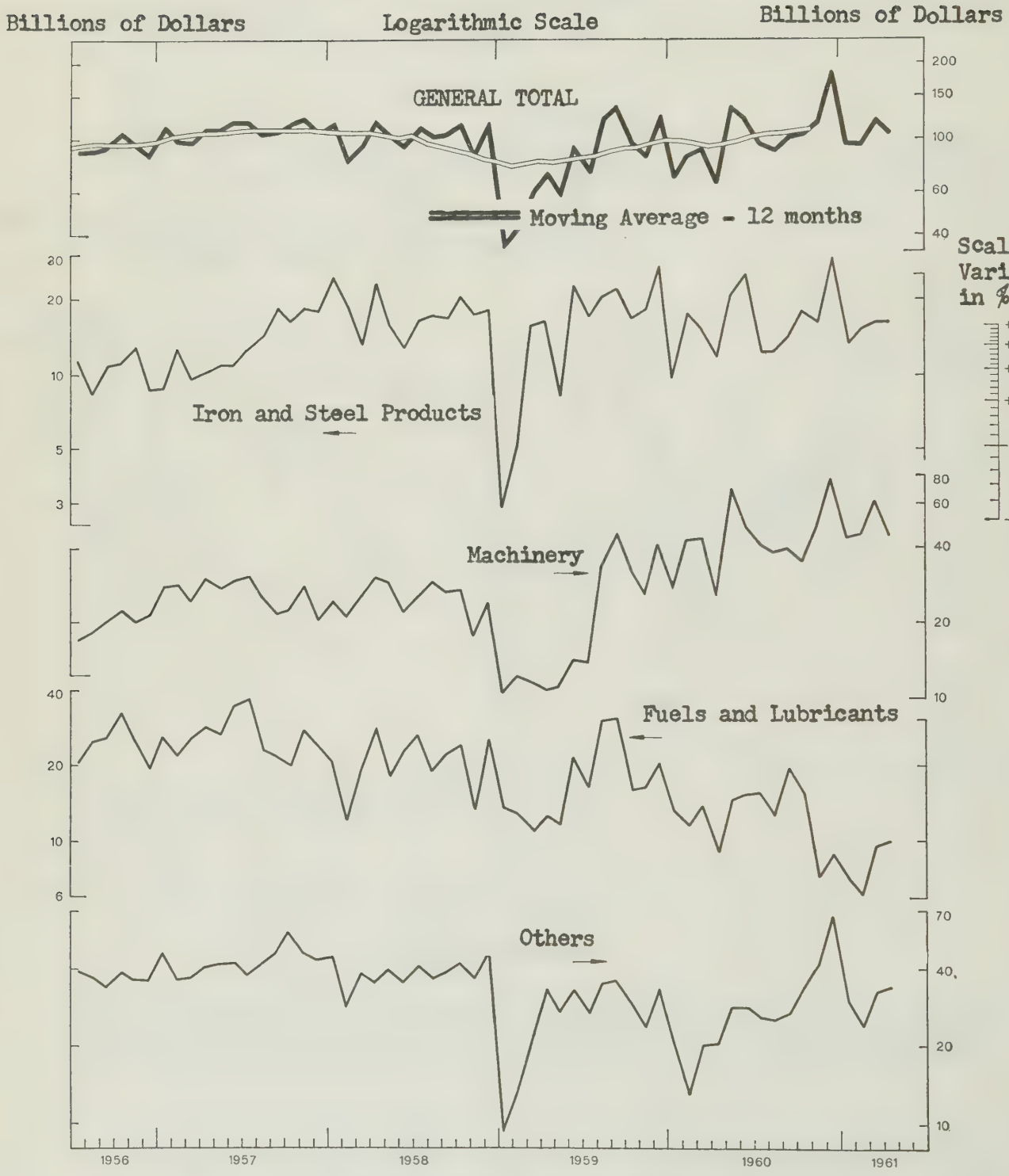
ARGENTINA

IMPORTS



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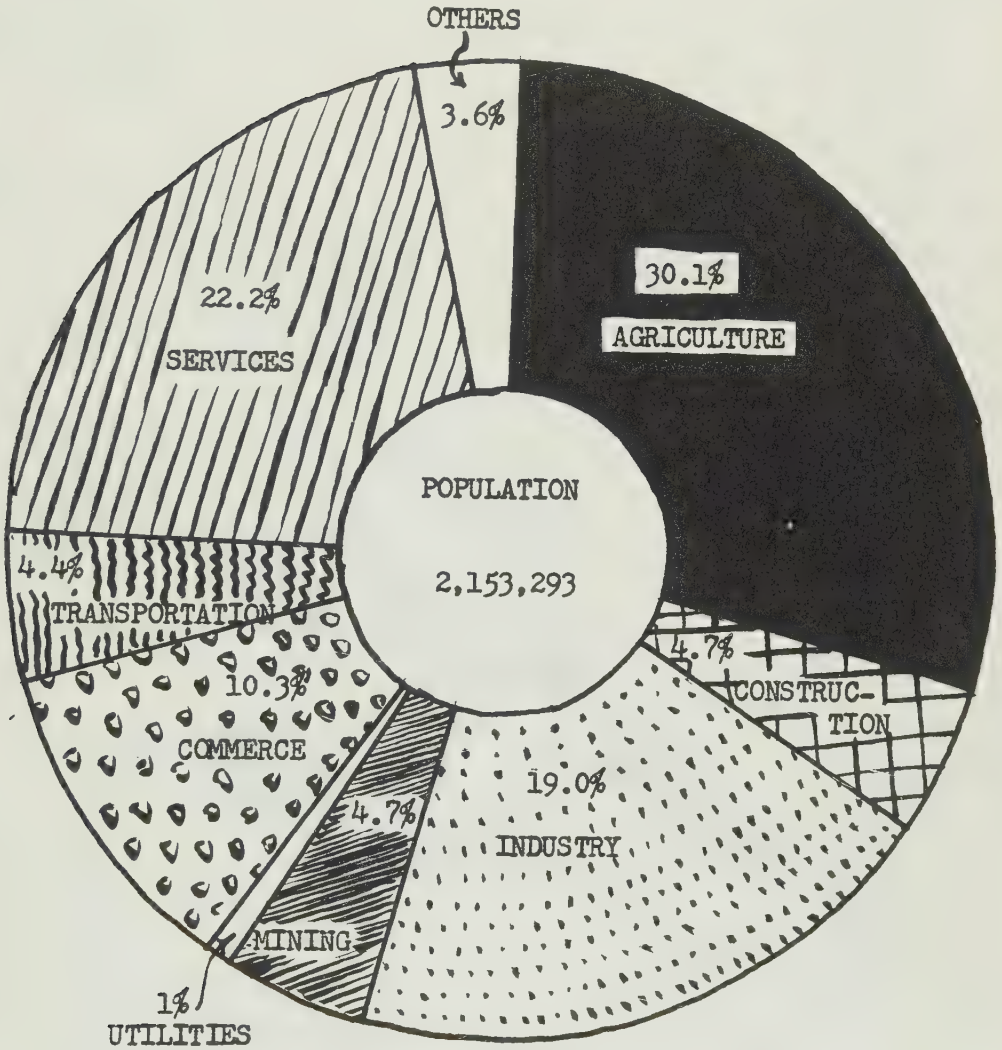
CHILE

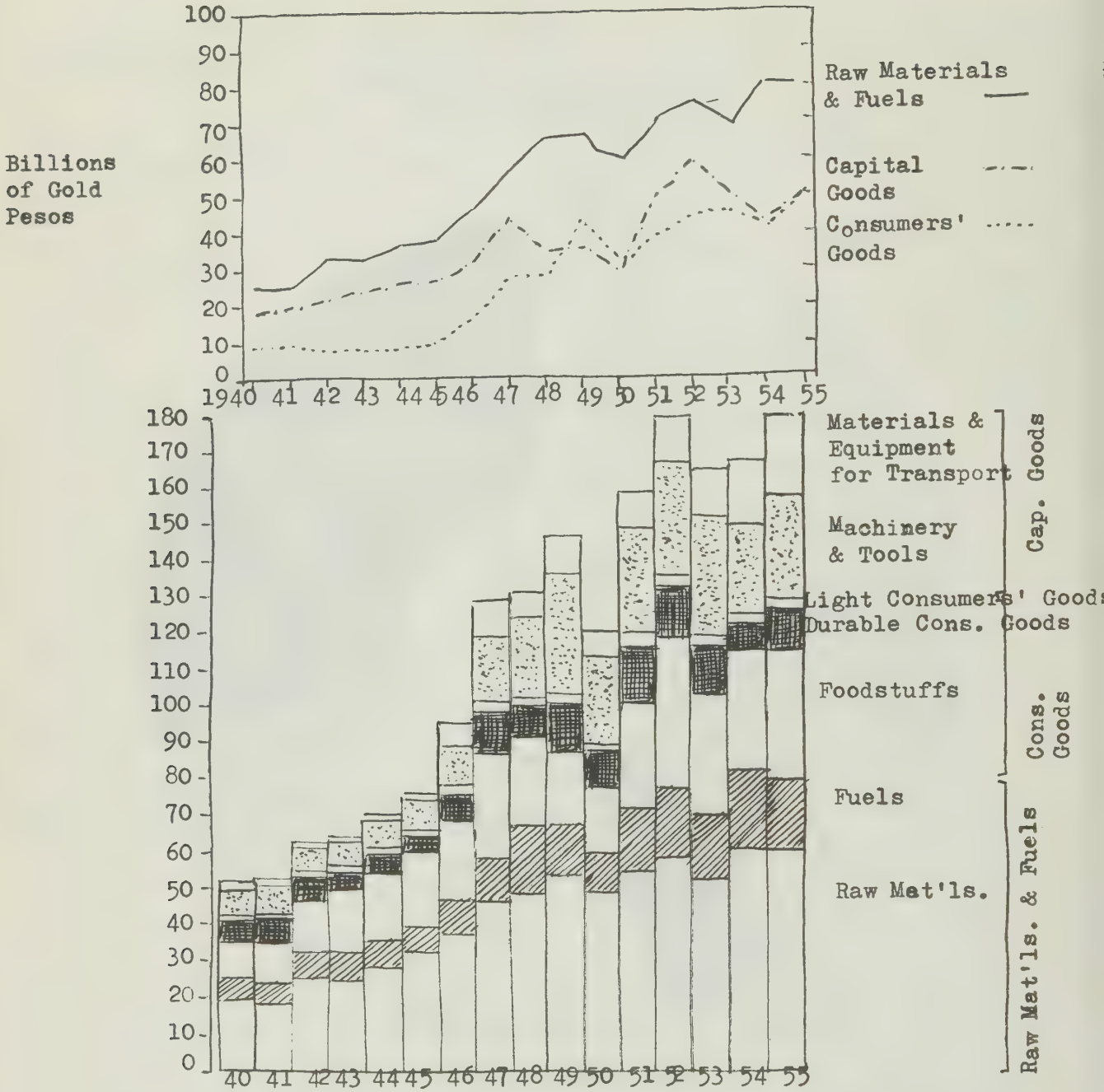
ECONOMICALLY ACTIVE POPULATION
BY ECONOMIC SECTOR-1952



Source: Census of 1952.

CHILE

VALUE OF IMPORTS



Source: Desarrollo Económico de Chile, Instituto de Economía de la Universidad de Chile, 1956, p. 72.

CHILE

AGRICULTURAL STATISTICS

ESTIMATED DISTRIBUTION OF CULTIVATED AGRICULTURAL LANDS, 1952-3

(In Thousands of Hectares)

Annual Crops		Semipermanent Cultivated		Natural Pastures, Others	
Cereals	1,022	Fruit Orchards	56	Natural meadows	600
Leguminous Plants	127	Vineyards	96	Fallow rotation lands with natural grasses	2,752
Potatoes	56	Pastures	1,110		
Industrial Crops	50				
Truck Gardening	40				
Totals	1,295		1,262		3,352
Percentage	21.8		21.4		56.8

AGRICULTURAL PRODUCTION AND EXPORTS

(Five year averages)

Years	Total Agricultural Production in Millions of 1950 pesos	Percentage of Production Exported
1940-1944	10,029	9.2
1945-1949	10,456	10.9
1950-1954	10,676	6.8

CULTIVATED LANDS

	Cereals	Vegetables & Fruits	Industrial Crops	Total	1950 = 100 Index, Cultivated per cap.
	In Thousands of Hectares				
1925-1929	843	145	--	988	102.5
1930-1934	840	221	7	1,068	102.1
1935-1939	998	266	12	1,276	112.8
1940-1944	946	248	26	1,220	100.0
1945-1949	946	231	38	1,215	92.5
1950-1954	949	226	59	1,234	86.7

AGRICULTURAL IMPORTS AND TOTAL OTHER IMPORTS

(In Millions of US$)

Years	Total Imports	Agric. Imports	% Total Imports	Crop Imports	% Total Imports	Livestock Imports	% Total Imports
1947-1950	274,4	23,0	8.4	8,9	3.2	14,1	5.1
1951-1954	344,0	54,3	15.5	31,4	9.1	22,9	6.7

CHILE

INDUSTRIAL AND MINING STATISTICS

SCALE OF INDUSTRIAL PRODUCTION / 1950=100

Year	Foods	Textiles	Shoes	Cement	Steel	Papers	Chemicals	Woods	General
1946	85.8	88.6	106.4	96.1	12.3	76.8	90.9	164.6	86.7
1947	93.7	93.4	113.0	100.0	10.4	77.5	101.7	144.2	91.9
1948	96.1	95.3	102.7	89.5	13.1	88.6	102.8	127.6	92.8
1949	96.8	95.0	98.3	89.5	17.0	98.3	99.6	102.5	91.9
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	99.2	95.0	92.7	115.7	195.7	102.7	104.3	118.1	105.6
1952	107.2	110.7	93.9	134.4	246.0	103.8	111.8	102.4	116.5
1953	123.2	121.7	99.1	126.3	260.9	114.9	113.2	97.3	127.5
1954	125.6	125.4	98.6	128.5	278.5	121.3	132.6	123.1	134.2
1955	124.7	127.0	101.8	109.0	233.2	127.9	136.6	123.1	132.2

INDEX OF MINING PRODUCTION

1948-1952 = 100.0

	Annual Variation
1940	92.7
1941	108.1 +16.6
1942	107.3 -0.7
1943	107.5 +0.2
1944	105.9 -1.5
1945	104.7 -1.1
1946	95.8 -8.5
1947	104.1 +8.7
1948	109.7 +5.4
1949	96.8 -11.8
1950	94.4 -2.5
1951	98.8 +4.7
1952	100.2 +1.4
1953	91.9 -8.3
1954	94.2 +2.5
1955	99.0 +5.1

PRODUCTION OF LARGE-SCALE MINING, 1945-55

	Copper		Iron		Nitrates		Iodine	
Year	Tons	Value, '50 US$	Tons	Value, '50 US$	Tons+	Value, '50 US$	Tons	Value
1945	451,105	192,892,498	276,904	819,636	1,384	58,709,280	473,5	1,371,6
1946	351,602	150,345,015	1,177,052	3,484,074	1,948	82,634,160	1,302,1	3,772,0
1947	408,400	174,631,840	1,737,553	5,143,157	1,720	72,962,400	1,298,9	3,762,7
1948	424,910	181,691,516	2,710,941	8,024,385	1,835	77,840,700	1,951,1	5,652,1
1949	350,736	149,974,714	2,742,914	8,119,025	1,788	75,846,960	86,9	251,7
1950	345,458	147,717,841	2,953,233	8,741,570	1,608	68,211,360	473,5	1,371,6
1951	360,103	153,980,043	3,174,338	9,396,040	1,680	71,265,600	1,302,1	3,772,0
1952	374,291	160,046,832	2,365,502	7,001,886	1,428	60,575,760	831,8	2,409,6
1953	325,492	139,180,379	2,903,435	8,594,168	1,421	60,278,820	205,4	595,0
1954	323,158	138,182,361	2,287,836	6,771,995	1,579	66,981,180	1,240,6	3,593,8

A READING LIST OF RECENT AUFS REPORTS ON LATIN AMERICA

KHS-1-'59 Nov. 1959 — NATIONALISM AND THE ROLE OF ELITES IN LATIN AMERICA (4 pp.)

KHS-1-'60 Apr. 1960 — ECONOMICS, DEMOCRACY, AND HONESTY
An assessment of the Frondizi regime. (15 pp.)

KHS-2-'60 May 1960 — AN INVITATION TO MANIPULATION
Divergence of Latin American-North American economic philosophies as revealed in Chilean students' appeal to President Eisenhower. (14 pp.)

KHS-1-'61 Jan. 1961 — THE ISLAND AND THE CONTINENT
Latin American development and the challenge of Cuba. (15 pp.)

KHS-2-'61 June 1961 — THE MEETING OF NORTH AND SOUTH
Comments on problems of hemispheric relations. (11 pp.)

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OTHER SUGGESTED READINGS ON LATIN AMERICA

Some general surveys of Latin American political affairs have appeared in the last three or four years which can be very helpful to the nonspecialist. I suggest that some of these sources be consulted before attempting any more specialized reading on specific countries, so that some idea of perspective and general setting can be brought to bear on individual country studies. A very popular and oft-cited book is John J. Johnson's Social Change in Latin America: The Emergence of the Middle Sectors (Stanford: Stanford University Press, 1958). The chapters on Argentina and Chile will be helpful to our subject, and the bibliography is very useful. I highly recommend a fresh and quite sophisticated recent work edited by Albert O. Hirschman called Latin American Issues; Essays and Comments (New York: The Twentieth Century Fund, 1961). The Annals of the American Academy of Political and Social Science dedicated their Vol. 334, March 1961, to Latin America's Nationalist Revolutions, of which Robert N. Burr was the special editor. The articles are of mixed quality, but the subject is important and the cumulative effect of the issue is worthwhile. And as an advertisement of myself, you might see K. H. Silvert's The Conflict Society: Reaction and Revolution in Latin America (New Orleans: The Hauser Press, 1961).

For some interesting impressionistic articles, No. 53, October 1961, of the Cuadernos del Congreso por la Libertad de la Cultura published in Paris is dedicated to contemporary questions under the title "América Latina frente a su destino." The American Assembly in 1959 published another quite popular work called The United States and Latin America, under the editorship of Herbert Matthews. Because of the recent impact of the cold war on Latin America, I also suggest Robert J. Alexander's interesting and useful Communism in Latin America (New Brunswick: Rutgers University Press, 1957). And if there is anyone left who has not as yet read C. Wright Mills's Listen, Yankee!, easily available in pocketbook, then I suggest it not as an explanation of the Castro phenomenon, but as the polemical justification for anti-imperialism quite widely found throughout Latin America.

For very general background, there is always the classical Preston E. James's Latin America, 3d ed. (New York: The Odyssey Press, 1959), the standard text on geography. Pierson and Gil's Governments of Latin America (New York: Holt, 1957), is also good for political background.

Greater problems arise in suggesting readings on Argentina and Chile. Materials in English on Argentina are relatively plentiful and in some cases of high quality. Works in English on Chile, however, are somewhat scarce, and what few there are tend to be outdated, overspecialized, or of dubious value. Insofar as social science materials are concerned, the situation concerning Spanish sources is quite the opposite: Chilean publications are more serious and reliable than Argentine ones, although the physical number of books about Argentina in Spanish far outweighs those about Chile. The following readings are recommended with the reservations which may be added in the comments.

Whitaker, Arthur P. The United States and Argentina. Cambridge: Harvard University Press, 1954.
This book is a good general introduction to Argentina and includes a useful bibliography.

_____ Argentine Upheaval: Perón's Fall and the New Regime. New York: Praeger, 1956. An analysis of the last days of Perón, intelligently done but fundamentally weak in that it suffers from a lack of intimacy and "feel" for the details of the course of events.

Blanksten, George I. Perón's Argentina. Chicago: University of Chicago Press, 1953. A political scientist's view of Perón, with an especially useful section on ideology and power elements in the regime. The work labors under an unhappy literary style, as well as such a strong rejection as to cloud certain of the analyses. Below the verbiage, however, the thinking is the most acute available in English on Peronism.

Taylor, Carl C. Rural Life in Argentina. Baton Rouge: Louisiana State University Press, 1948. Standard and good, if outdated by the Perón-inspired migrations to the city and their effects on rural areas.

Germani, Gino. La Estructura Social de la Argentina. Buenos Aires: Editorial Raigal, 1955. An exhaustive social analysis of the census of 1947, and also the first serious attempt to examine the structure of Argentine society. Highly recommended for its informational value, even though also on the way to being outdated by the census of 1960.

Galletti, Alfredo. La Realidad Argentina en el Siglo XX: I--La política y los partidos. Mexico: Fondo de Cultura Económica, 1961. This study of party developments by a moderate Socialist is quite good and highly informative.

Portnoy, Leopoldo. La Realidad Argentina en el Siglo XX: II--Análisis crítico de la economía. Mexico: Fondo de Cultura Económica, 1961. I think this book is very poor; I add it to the list only because it makes easily available some economic data which otherwise would have to be sought in government publications and the reports of international agencies.

Galdames, Luis. Historia de Chile. 10th ed. Santiago: Editorial Zig-Zag, 1945. This work is a college text type of treatment, with both the utility and limitations of such studies. The University of North Carolina Press, Chapel Hill, published a translation by Isaac J. Cox of an earlier edition in 1941.

Desarrollo Económico de Chile, 1940-56. Santiago: Instituto de Economía de la Universidad de Chile, Imprenta Universitaria, 1956. This work will certainly be difficult to find in the United States, but it is the easiest introduction to the Chilean economy available, despite the fact that there are more recent statistics available in Cuentas Nacionales, Corporación de Fomento de la Producción Chile (Santiago: Editorial del Pacífico, 1957). The latter work lacks the social analysis of the former, but is reputed to be more accurate.

Vives, Alberto Edwards. La Fronda Aristocrática. 2nd ed. Santiago: Editorial del Pacífico, 1945. A book that almost every college library possesses, it is a beautifully written, enjoyable, highbrow statement of what Chile did in the last century to get the way it is in this one.

Donoso, Ricardo. Las ideas políticas en Chile. Mexico: Fondo de Cultura Económica, 1946. Donoso's work may be read in conjunction with José Luis Romero's Las ideas políticas en Argentina, 2nd ed., the same publisher, 1956. I like Romero's study better than Donoso's, but the latter's two-volume denigratory biography of Arturo Alessandri, "agitator and destroyer," also published by the Fondo, is one of the most useful if biased sources on more recent Chilean political history.

Ellsworth, P. T. Chile: An Economy in Transition. New York: Macmillan, 1945. Very outdated, but still somewhat useful in indicating problem areas still of importance.

Stephenson, J. R. The Chilean Popular Front. Philadelphia: The University of Pennsylvania Press, 1942. Accurate, good historical work, and a key to the understanding of later events.

This very limited list should be sufficient for you to determine whether you are interested enough in the countries involved to seek further information.

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